UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
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Director, Division of Information and Records
Washington, D. C.

No. 57 December 15, 1934.

TO FARM JOURNAL EDITORS:

The following information is for your use.

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WORKERS TO TRAIN FOR CORN-HOG PROGRAM SIGN-UP

With the producers' contract for corn-hog adjustment in 1935 in readiness, plans for a series of training schools for the 1935 corn-hog sign-up campaign workers are announced by the Agricultural Adjustment Administration. The new contract will be explained and studied at these instructional meetings.

The program calls for six meetings, primarily for workers in the western, middlewestern, eastern and southeastern regions. Each school will last two days. Meetings are scheduled for December 17 and 18 at Atlanta, Ga., Indianapolis, Ind., and Kansas City, Mo.; and for December 20 and 21 at New York City, Minneapolis, Minn., and Salt Lake City, Utah. Representatives of the Agricultural Adjustment Administration will attend the schools.

Chairmen of the meetings will be the directors of the Agricultural Extension Services in the States in which the schools are held. At Atlanta, H. L. Brown will preside; at Indianapolis, J. H. Skinner; at Kansas City, H. J. Umberger; New York, H. J. Baker; at Minneapolis, Andrew Boss; and at Salt Lake City, William Peterson.

Following the regional schools, similar instructional meetings will be held for state and county workers as soon as schedules can be arranged. In these schools, instruction will be given the officials who will actually carry out the field work of the sign-up campaign. Schedules for these groups will be arranged by the state corn-hog committees. It is anticipated that the actual sign-up of adjustment contracts may get under way by January 15, and that, for the most part, it will be completed by the last of that month or early in February.

"The new contract will help farmers to correct maladjustments caused by the drought and yet will prevent a return to excessive production levels. Thus it will enable the industry to hold ground gained during the past year," said A. G. Black, chief of the Corn-Hog section. "Unless farmers agree to hold corn plantings within reasonable limits in 1935, a corn surplus in the fall of that year is a virtual certainty," he said. "The normal response to feed shortages and high feed prices occasioned by droughts is to plant larger-than-average corn acreage the following

year. Per-acre yields usually return to normal and a large crop with low feed prices results. A year or two later livestock production, especially of hogs, becomes excessive and livestock prices are forced down. These facts are expecially significant in the outlook for 1935, because marked adjustments in both cattle and hog numbers since a year ago have materially reduced corn needs of the coming year. Even average acreages of recent years at normal yields would produce a large surplus of corn."

The maximum corn acreage that may be planted under the 1935 contract is 90 percent of the base established in 1934; that is, the average for the two years 1932 and 1933. This maximum acreage would permit the production of about 250 million bushels over the reduced requirements for livestock feeding, thus allowing a reasonable margin for building up feed reserves.

For complying with the corn control provisions of the new contract, the individual signer will receive three benefits: a corn-adjustment payment, unrestricted use of land shifted from corn production, and elegibility to participate in any Government corn-loan program that may be put into effect in the fall of 1935.

Corn-adjustment payments will be made at the rate of 35 cents a bushel of yield estimated for the number of acres by which the corn land area is kept below the 1932-1933 average. The yield for basing payments will be the average for all crop land in a farm which has been in corn at least once in the last five years. The average yield will be determined in 1935 by the Community Committee. Signers who control more than one farm are required to limit production on land not covered by the contract to the average acreage planted to corn in 1932 and 1933.

The hog situation which the contract is designed to correct indicates that some control over hogs in 1935 will be necessary in order to curb or prevent too great an increase in production, Dr. Black stated. Although there probably will not be extensive breeding for next spring's farrow, some adjustment will be necessary in order to prevent undue expansion in areas where feed will be available. The program will provide insurance against excessive expansion in all areas in the fall of 1935.

Present demand conditions do not warrant substantial re-expansion in hog numbers. A slight increase in pork exports in 1934 was offset by a decline in lard exports. Great Britain and Germany, leading importers of American hog products, are limiting shipments by restrictions on volume and value.

The 1935 contract signer will be required to hold the number of hogs produced for market from 1935 litters to 90 percent of the adjusted average number produced from 1932 and 1933 litters. The 1934 contract limited the producer to 75 percent of the base.

The new contract carries no limitation on the number of feeder pigs that may be purchased by contract signers from other corn-hog contract signers. Purchases of feeder pigs from non-contract signers, however, remain limited to the average number bought during the base period.

The hog adjustment payment for compliance with the new contract will be $15 a head on the number of hogs represented by the 10 percent adjustment.

The first adjustment payments in 1935, consisting of 15 cents a bushel in the case of corn and $7.50 a head in the case of hogs, will be made as soon as practicable after the contracts are accepted by the Secretary of Agriculture; the remainder, less the producer's pro rata share of the local administrative expenses, will be due on or about January 1, 1936. These payments again will serve as valuable crop insurance where drought or diseases may prevent production up to the producer's contract allotment.

In general, all corn-hog farmers in the United States will be eligible to sign the 1935 contract. For producers who signed the 1934 contract, the production figures established for that contract will serve as the basis for the 1935 contract unless there has been a change in the farming unit or changes have occurred to necessitate the redetermination of the hog base. Where the farming unit is changed the contracting producer's corn base will be the corn base for the new farming unit operated by him in 1935. In the case of new contract signers or new producers production allotments for 1935 will be determined by the county allotment committees in accordance with instructions issued by the Agricultural Adjustment Administration.

Final tabulation of the corn-hog referendum held in October shows that the total vote of contract signers in all of the 48 states reaffirmed approval of the continuation of the corn-hog program that was indicated by earlier tabulations. The final figures show that nearly 70 percent of the contract signers who voted -- 69.9 percent, to be exact -- favored continuation of the program. In other words, 374,584 signers voted for continuation, and 161,106 against it. This was the vote on Question No. 1: "Do you favor an adjustment program for dealing with corn and hogs in 1935?"

An affirmative reply to Question No. 2 -- "Do you favor a one-contract-per-farm adjustment program dealing with grains and livestock to become effective in 1935?" -- likewise was expressed by signers of the 1934 contract, although the margin was smaller. The final tabulation showed that 52.9 percent of the signers favored the one-contract-per-farm plan. The total vote was: yes, 262,845; no, 233,588.

The ultimate result of the vote by non-signers was unchanged by the final tabulation; both questions showed a majority of negative replies.

The non-signers' votes were as follows: Question No. 1: yes, 14,555; No, 29,471. Question No. 2: Yes, 11,372; No, 28,807.

# # #

1935 CORN-HOG CONTRACT AND FORMS SIMPLIFIED

First copies of the 1935 corn-hog adjustment contract and related forms have come off the press at the Government Printing Office, as announced by the Agricultural Adjustment Administration. Printing will go forward until approximately 1,500,000 sets have been completed. It is estimated that this number will be sufficient to supply all producers who wish to take part in the new program. The new forms will be made available to producers at the community meetings expected to begin in January.

In 1935 the cooperating producer will sign the contract only once instead of twice, as was the case in 1934, when the first signing of the contract, before the production data had been checked and adjusted, really constituted an application for entering into a contract.

This year there will be an official application form giving the producer's name, address and farming location. He will report any changes from his status in 1934, and will state whether he signed a contract in 1934, whether the land to be covered by contract is exactly the same as that covered by contract in 1934 and whether he wishes to include a hog base which was not established under a 1934 contract.

In this way the community committeemen will be enabled to expedite handling of contracts by classifying applicants according to the work that will be required in determining 1935 allotments. In general, for producers whose status or location has not changed since 1934, the corn-hog committeemen simply will transfer the adjusted figures from the old contract to the new contract and then offer it to the producer for signature.

In the case of 1934 signers, who have moved to new farms, or otherwise altered their farming units, or where changes have occurred which necessitate a redetermination of the corn or hog base, the applicant will also fill out a work sheet, giving full details of these changes. On the basis of this complete information, committeemen may then compute the 1935 corn and hog allotments and adjustment payments.

In 1935 all contracts will be handled in the same manner. There will be no "early-pay" forms as in 1934. It is expected that the simplified procedure and forms which have been developed out of one year's experience will permit reasonable rapid handling in all cases during the coming year.

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DAIRY LEADERS TO REVIEW EXISTING MILK CONTROL LAWS

At the request of farm leaders, dairy cooperatives and state marketing officials, a discussion and study of features of State milk control legislation, and the possibility of coordinating Federal and State powers to stabilize milk marketing conditions, was under way this week at the Department of Agriculture in Washington.

At informal sessions, types of existing State milk control legislation were considered in the light of practical working value and provisions for group action between States, groups of adjacent States, and the Federal Government to add strength to pending State legislation on dairy matters.

Leaders of cooperative milk producers' associations, distributing agencies on fluid milk markets, and other interested groups took part in the conference. Also participating were representatives of the Ohio Milk Marketing Commission and members of the Agricultural Adjustment Administration and the Department of Agriculture.

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HEARING ON MILK LICENSE FOR SAN DIEGO, CAL.

Acting Secretary of Agriculture Rexford G. Tugwell has issued a notice of public hearing on a proposed milk license for San Diego, Calif., to be held December 18 at San Diego. The proposed license has been requested by the Milk Producers' Association of San Diego County and the Dairymen's League of San Diego county. There are about 200 producers supplying about 17,000 gallons of milk and cream daily to the 209,000 population resident within the limits of the county, as defined in the sales area named in the proposed license. About 90 of these producers are producer-distributors, furnishing about 36 per cent of the total supply.

The proposed license is drafted on the standard plan, using the base-surplus method of payment to producers. No minimum resale prices are named in the license. The prices payable by distributors for milk, f.o.b. the sales area, will be developed as a result of the hearing.

A marketing agreement and a license for the San Diego sales area was instituted in December, 1933, by the Agricultural Adjustment Administration. This marketing agreement and license was terminated in January, 1934.

# # #

BATTLE CREEK, MICH., MILK LICENSE VIOLATION ALLEGED

The Lakeview Dairy Products Company, Inc., Battle Creek, Mich., has been ordered by Secretary of Agriculture Wallace to show cause why its license to distribute milk under the existing Battle Creek milk license should not be suspended or revoked for alleged violations of prices, terms and provisions in the license. The company has until December 24 to return answer to the charge.

The company is alleged to have violated the existing license in refusing to pay producers for milk and cream at the prices specified, and under the terms defined in the license. It is also charged with failure and refusal to make the required reports to the Market Administrator, refusal to pay the sums due under the adjustment account which would be based on such reports, failure to make the required deductions uniformly from the payments made to producers for milk sold by them to the company at the rate of 2 cents per 100 pounds, payable to the market administrator; and non-payment of the required deductions of 5 cents per 100 pounds of milk which the company bought from non-members of the Michigan Milk Producers' Association, to be used for market services similar to those rendered by the cooperative to its members.

# # #

FLUE-CURED TOBACCO COMMITTEE SUGGESTS 1935 PROGRAM DETAILS

The advisory committee of flue-cured tobacco growers has recommended to the Agricultural Adjustment Administration that the 1935 production-adjustment program for flue-cured tobacco provide for an initial acreage and production allotment equal to 85 percent of the base acreage and production allotments that have been established under the contracts, with a 5 percent acreage tolerance in checking acreage compliance.

According to the recommendations, growers whose acreage exceeds 85 percent of the established base and is not over 90 percent would receive one-half as much rental payment as those whose acreage does not exceed 85 percent.

The complete recommendations of the committee, announced after the meeting in Washington by J. B. Hutson, chief of the Tobacco Section of the Adjustment Administration, were as follows:

(1) That the initial acreage and production allotment for 1935 be 85 percent of the base acreage and production allotment as established under the contracts.

(2) That an acreage tolerance of not more than 5 percent be allowed in checking compliance and that growers whose acreage exceeds their allotment by not more than 5 percent receive one-half as much total rental payment as those whose acreage does not exceed 85 percent of the base acreage.

(3) That adjustment be made in the base acreage and production of a limited number of contracting growers whose base acreage and production are exceptionally low as compared with those of other farmers operating under similar conditions, with a view of making the program fit the largest possible number of farms in an equitable manner.

(4) That allotments be made in January 1935 to non-contracting growers who are to receive tax payment warrants pursuant to the Kerr-Smith Tobacco Act, which will execpt them from the payment of the tax. The Act provides that the Secretary of Agriculture may issue in any county a limited number of tax-payment warrants to non-contracting tobacco growers who could not obtain an equitable allotment under contracts.

(5) The Committee also endorsed the policy of allowing eligible growers who did not sign contracts in 1934 to sign contracts for 1935 and recommended that the full tax rate of 33-1/3 percent permitted under the Kerr-Smith Tobacco Act be levied on the production of outside growers in 1935.

(6) The Committee also recommended that the future program to be offered to the flue-cured tobacco growers be prepared just as soon as the details can be worked out, taking into consideration the correction of the inequalities that have developed in the old contract and the additional legislation thought necessary.

The recommendations were accepted for study in framing the 1935 program, by the Adjustment Administration.

Those attending the meeting were: Claude T. Hall, Chairman, Woodsdale, N.C.; L. M. Lawson, Vice-Chairman, Darlington, S.C.; E. P. Bowen, Jr., Secretary, Tifton, Ga.; J. Hurt Whitehead, Chatham, Va.; J. E. Winslow, Greenville, N. C.; Lionel Wel, Goldsboro, N. C.; E. Y. Floyd, Raleigh, N. C.; S. K. Cassell, Blacksburg, Va.; J. T. Lazar, Florence, S. C.

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FIRE-CURED TOBACCO SURPLUS MAY END WITH 1935 SEASON

The removal of virtually all the 40 million pounds of surplus of fire-cured tobacco by the end of the 1935 marketing season is expected under the adjustment program for this type of tobacco, J. B. Hutson, chief of the Tobacco Section of the Agricultural Adjustment Administration said a few days ago.

Approximately half of this surplus, it is expected, will be removed during the 1934 marketing season and the remainder will be eliminated in 1935, Mr. Hutson stated. The adjustment contracts signed early in 1934 by producers of this type of tobacco have been made effective for 1935 by the Secretary of Agriculture. Producers who did not sign the two-year contract will be given an opportunity to sign a one-year contract covering the 1935 season.

Virginia's fire-cured markets have open since November 7, and from the opening date through Friday, December 7, Virginia markets sold more than 4 million pounds, or better than 20 percent of the Virginia fire-cured crop. The fire-cured markets in Kentucky and Tennessee opened December 11.

"To date," Mr. Hutson said, "prices in Virginia have averaged approximately 13-1/2 cents a pound. This compared with an average of 6.8 cents a pound for the 1933 crop. However, the quality of the 1934 crop is materially better than that of last season, and, in addition, the early sales have tended to run toward the better side of the crop. Prices by grades have averaged about 50 percent above those of last season. The prices of some of the lower grades are double those of last season, whole some of the better grades are no higher than those of last season.

"Growers in Virginia who have signed production-adjustment contracts, which fix the amount of tobacco to be sold as well as the number of acres to be grown, will not sell more than 16,500,000 pounds of fire-cured tobacco this season. The sales of non-contracting growers may reach 2,500,000 pounds, making a total of 19,000,000 pounds of fire-cured to be sold in Virginia this season. It is estimated that the consumption of the Virginia type during the current year will be approximately 21,000,000 pounds.

"Contracting growers in Western Kentucky and Tennessee will sell not more than 78,000,000 pounds of fire-cured, and the production of non-contracting growers is estimated at 16,500,000 pounds, making a total of nearly 95,000,000 pounds from the fire-cured sections of Kentucky and Tennessee. The estimated consumption of Kentucky and Tennessee for the current year is 109,000,000 pounds.

"Total sales from all sections are not expected to exceed 115,000,000 pounds during the current season. This is fully 15,000,000 pounds below world consumption. Any tobacco produced by contract signers in excess of the quantity permitted to be sold will be rendered unmerchantable or will be diverted from its normal commercial uses. Thus we are assured of making a sharp reduction in the surplus this season.

"In 1935, contracting growers will reduce the fire-cured crop 20 percent below the established base. In 1934 the reduction was 25 percent. However, it is expected that a considerable number of the growers who did not sign contracts in 1934 will produce under contract in 1935. With average yields, production in 1935 will probably be slightly below the production of this year. The yields were above the average in 1934 in most parts of the belt, and contracting growers are being given the privilege of selling a total amount of tobacco not more than 15 percent in excess of the initial allotment, provided they agree to accept specified

reductions in the second adjustment payment. Allowance for sales under this privilege is made in estimating that not more than 115,000,000 pounds of fire-cured will be sold on the markets this season. A similar provision may or may not be made in 1935 depending upon growing conditions next season and demand factors at the time the 1935 crop is ready to market."

# # #

FLORIDA CITRUS AGREEMENT-LICENSE EFFECTIVE DECEMBER 17

A marketing agreement and license for the citrus fruit industry of Florida, intended to improve returns to growers and to correct the present demoralized condition of the citrus markets, signed by Secretary of Agriculture Wallace, will become effective December 18.

Returns to growers of citrus fruit in Florida are now below the unfavorable prices of last year, and only slightly above the cost of harvesting and marketing the fruit. The agreement makes it possible for the industry to regulate the unusually large supplies of citrus fruits available for market, through limitation and proration of shipments.

The agreement provides for proration of shipments on the basis of certificates allotted to growers, and for limitation of shipments through regulations governing the grade and size of fruit that may be shipped. The allotments to shippers will be based on the fruit controlled by them, as represented by grower certificates in their possession, or on their past performance record; whichever is higher.

Further provision is made for regulation of shipments to auction markets which recognizes each shipper's performance in the auction markets included in such regulation.

The control committee of 13 members and their alternates is named in the agreement, copies of which and the license may be obtained at the office of the Chief Hearing Clerk, Agricultural Adjustment Administration, Washington, D. C.

# # #

SEABOARD POTATO COMMITTEE CONSIDERS ACREAGE ADJUSTMENT

Representatives of the potato industry from the various potato producing areas along the Eastern Seaboard, conferred in Washington December 13 with members of the Agricultural Adjustment Administration and the Extension Service to discuss methods of improving the returns to growers through adjustment of acreage during the coming season. A committee was appointed at the meeting to remain in Washington to marke a careful study of such a plan. The members of the committee, named at the meeting, are as follows:

William H. Halloway, Newark, William C. Beaven, College Park, Md, Spencer Perrine, Cranberry, N. J. B. D. Ayres, Accomac, Va., T. H. Nottingham, Eastville, Va., R. T. Etheridge, Princess Anne, Va., Dudley Bagley, Moycock, N. C., L. D. Midyette, Aurora, N. C., W. S. Byrd, Mt. Olive, N. C., John W. Geraty, Yonges Island, S. C., J. M. Harrison, Jr., Charleston, S. C., and C. E. Diamon, Southampton L. I., N. Y.

# # #

CALIFORNIA BEET SUGAR HEARING DECEMBER 21

A public hearing will be held in Sacramento, Calif., December 21, on the application of the California Sugar Growers' Association for a 1935 marketing allotment of 20,000 tons of beet sugar, the Agricultural Adjustment Administration has announced. The hearing will open at 9:30 a.m., in the Senator Hotel. Evidence will be presented on the application of the California Sugar Growers' Association for an allotment from the 1935 continental United States beet sugar quota for marketing, during the calendar year 1935, of sugar made from sugar beets produced in the continental United States beet-sugar-producing area.

# # #

PUERTO RICAN SUGAR QUOTA SHIPMENTS FOR 1935

The Agricultural Adjustment Administration has announced that after making allowance for the final polarization and weight outturns, Puerto Rico's 1935 shipments of sugar to continental United States aggregated 807,381 tons or 4,539 tons more than the Island's quota.

This net excess is the result of overshipments and undershipments of the various processors with respect to their 1934 allotments. As has been previously announced, the 1935 allotments of processors who overshipped in 1934 will be reduced by the amount of their respective overshipments, and the 1935 allotments of processors who undershipped in 1934 will be increased in the amount of their respective undershipments. Sixteen companies overshipped and fourteen companies undershipped their 1934 allotments by varying amounts. Corresponding adjustments on their 1935 allotments have been computed.

# # #

FACTS ABOUT PROCESSING TAXES

In a press release dated December 13 Chester C. Davis, Administrator of the Agricultural Adjustment Act, set forth the facts about the "Effects of Benefit Payments and Processing Taxes". From this round-up and summary of the facts, the following information on processing taxes is quoted:

"The processing taxes are vital to the agricultural adjustment program. They provide the funds for financing the major adjustment operation which increase the income of the producers of the basic commodities of wheat, cotton, corn, hogs, tobacco, sugar and peanuts. Money collected as processing taxes is paid out in rental or benefit payments to producers of these commodities to compensate them for their cooperation in controlling their production and pays for the administration of such programs. Therefore, the taxes, in financing these payments, provide the Government with a means of associating the interests of the individual with the interests of the whole group of producers of a basic commodity.

"Before the Act became a law, no individual producer could be sure that, no matter how great the surpluses might become or how low prices might fall, other producers would join with him in any voluntary program of production adjustment. Now, by confining payment of rental or benefit payments to farmers who cooperate in adjustment, farmers who cooperate know they will receive more than those who do not, and therefore the processing taxes and benefit payments provide a means of uniting farmers in a general movement to accomplish the objective. They are fundamental to the machinery by which farmers control their production, and increase their incomes.

"By encouraging adjustments that raise farm purchasing power, the processing taxes promote the general welfare.

"The law provides that the rate of the processing tax shall be the difference between the current average farm price and fair exchange value of the commodity, or parity, with provision for a smaller rate if the full tax rate would tend to decrease consumption and increase surpluses, or depress the farm price, of the commodity. (Fair exchange value or parity, in the cases of all basic commodities except tobacco, is defined as that average value of the commodity which bears the same relation to the prices of things farmers buy that existed in the base period of August, 1909, to July, 1914; in the case of tobacco, the price relationship pertains to the period August, 1919, to July, 1929).

"The present rate of the tax on wheat is 30 cents a bushel; on cotton, 4.2 cents a pound; on corn, 5 cents a bushel; on hogs, $2.25 a cwt.; on tobacco it ranges downward from 6.1 cents a pound, farm sales wight, depending upon the kind of tobacco and its uses; on sugar, 1/2 cent a pound of raw sugar; and on peanuts, 1 cent a pound.

"The rate of tax is in effect from the beginning of the marketing year for which it is proclaimed by the Secretary of Agriculture and until a change is found necessary to carry out the policy of the Act.

"Compensatory taxes are provided to equalize the effects of competition on processors by reason of excessive shifts of consumption from taxed basic commodities to competitive basic or non-basic commodities. Compensatory taxes are being levied on paper and jute used in certain products found to be competitive with cotton.

"Compensatory taxes equivalent to the current rate of the processing tax also are levied on imported articles manufactured wholly or in chief value from a taxed commodity, so as to maintain existing competitive relationships between the domestic and imported articles. Taxes are levied on the taxable content of manufacturers' or wholesalers' floor stocks on hand at the time taxes are placed in effect, and on retail stocks held on the effective date of the tax and not disposed of within 30 days thereafter, in order to forestall anticipation of the tax by laying in large supplies. Taxes on floor stocks are to be refunded at the time the tax is to be discontinued, at a rate equivalent to the processing tax collected on the commodity from which processed. Refunds also are made of taxes on products delivered to any organization exclusively for charitable distribution or use, including public relief distribution, and on exported products.

"Taxes are levied upon the first domestic processing of any basic agricultural commodity on which rental or benefit payments are to be made. The processing taxes, therefore, are collected through the processors and tend to affect the level of wholesale and retail prices. The retail prices paid by consumers of taxed products include the amount of the tax, but this does not necessarily mean gross consumer expenditures for the commodity will be larger nor even that in all cases there is a net increase in the retail price due to the tax. The amount of tax collections in any state, however, merely reflects the location and concentration of industries processing farm products. Tax collections thus merely show the quantity of taxable farm products processed in that state. The collections in no way indicate the amount of taxes borne by the people living in that state. The amount actually borne depends very largely on the population in each state and its capacity to pay.

"Minnesota, New York, Kansas, Missouri, Illinois, and Texas show largest totals of wheat <u>tax collections</u> because flour mills are concentrated in those states. The taxes collected at these mills ultimately are reflected in the retail prices paid by consumers of flour or bread, wherever they may live.

"Cotton tax <u>collections</u> are highest in North Carolina, Massachusetts, Georgia, South Carolina, New York and Alabama, because textile mills are centered in them. But the cotton tax is no more of a factor in the retail price paid by consumers for textiles in these states than in any other states.

"Tobacco tax collection totals are greatest in the tobacco manufacturing states of North Carolina, New York, Virginia and Kentucky.

"About one-half of all hog processing tax collections are made through the packing plants of Illinois. But the hog processing tax collected in Illinois is spread out in the retail price of pork products sold to consumers in many states.

"The processing tax collections within any geographical area are not any indication of the original consumer source of these collections on a per capita basis.

"The rate of tax reflected in the retail prices paid by individual consumers on processed commodities tends to be uniform, in all parts of the nation. In general, and within the limits of temporary local variations, the aggregate share of processing taxes contained within the expenditures of an individual consumer is regulated by the amount of taxable commodities which he purchases. (Products raised by farmers for their own home use are exempt.)

"For example, a family of five in New York purchasing the same quantity of taxed commodities as a family of five in Mississippi would pay about the same amount in processing taxes."

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RETAIL MEAT PRICES AT NEW YORK AND CHICAGO

In its December 1 review the Bureau of Agricultural Economics states that retail meat prices of Choice grade beef and veal at New York during the last half of November were generally unchanged to slightly higher than during the first half of the month. Prices of lamb and pork cuts were mostly unchanged to slightly lower. At Chicago, prices of practically all cuts of lamb were slightly higher, whereas those of other meats were mostly unchanged to 1 or 2 cents lower.

Price changes for beef were not uniform at New York. Prices of Choice grade cuts in credit and delivery stores were unchanged, with the exception of boneless chucks and rump, which advanced 1 cent a pound. In cash and carry stores, prices of the more desirable cuts advanced 1 to 4 cents a pound. Prices of Good grade rib and chuck cuts advanced 1 cent a pound, while prices of steaks declined a like amount. In Chicago, prices in service stores handling Good and Choice grades of beef were generally unchanged to 1 cent lower, whereas prices of most cuts in cash and carry stores advanced 1 cent a pound.

Prices were lower on practically all cuts of veal, except Choice grade at New York. The greatest decrease, amounting to 4 cents a pound, occurred in the cash and carry stores.

At Chicago, prices of practically all cuts of lamb advanced 1 cent. At New York this class of meat generally moved at slightly lower prices in service stores but prices of loin and shoulder chops advanced 1 to 3 cents in cash and carry stores.

Fresh pork cuts, in general, sold at lower prices. Prices of smoked meats were slightly higher in service stores, but they were steady to 2 cents lower in other stores.

The composite retail price of beef in New York during November was about 1 cent lower than in October, but about 2 1/2 cents higher than a year ago. Composite retail lamb prices in November were 3/4 to 1 1/4 cents lower than in October, and 1 to 2 cents lower than a year ago. The average price of the major pork products in November was about 1 1/4 cents lower than in October, but about 4 3/4 cents higher than a year ago.

The retail meat prices per pound in the following tabulation are simple averages of quotations received during the last half of November on all grades of pork and good grade of other meat in New York and Chicago, sold mostly on a cash and carry basis:

Cuts		New York Dec.1 1934	New York Nov.15 1934	New York Dec.1 1933	New York Dec.1 1932	Chicago Dec.1 1934	Chicago Nov.15 1934	Chicago Dec.1 1933	Chicago Dec.1 1932
Beef:	Porterhouse steak ..	37	38	33	40	36	36	32	34
	Sirloin steak	32	32	28	35	30	30	27	28
	Round steak 2/......	30	30	27	33	25	26	23	24
	Rib roast,1st 6 ribs	27	26	23	28	23	24	19	23
	Chuck roast	19	18	17	19	17	17	15	17
	Plate beef	10	11	8	10	10	10	9	11
Lamb:	Legs	22	22	21	21	21	21	20	19
	Loin chops	31	32	31	33	31	30	29	28
	Rib chops	26	27	24	26	27	26	25	24
	Stewing	10	10	8	8	11	12	11	10
Pork:	Chops, center cuts .	25	26	23	24	23	25	21	22
	Bacon, strips	31	31	23	22	28	29	20	19
	Bacon, sliced	36	36	27	27	34	35	26	25
	Hams, whole	23	24	19	18	23	23	17	15
	Picnics, smoked	15	15	13	11	15	16	11	11
	Lard	16	16	12	11	14	14	9	8
Veal:	Cutlets	37	37	35	35	29	30	27	30
	Loin chops	29	30	28	28	24	25	22	24
	Rib chops	25	26	24	23	21	22	19	21
	Stewing (breast)....	12	14	11	11	10	10	9	10

2/ Top round at New York.

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DATA ON COSTS OF FENCING MATERIAL

The fifth of a series of reports, based on a three-day price enumeration made by Federal Civil Works Administration employees on a country-wide scale, from January 24 to 27, 1934, was issued on December 12 by the Bureau of Agricultural Economics. The enumerators visited 13,214 representative lumber and coal dealers in towns of 15,000 population or under in agricultural areas to obtain price quotations, which have been combined as State averages for individual commodities.

Prices for building materials varied widely by States. In Iowa, building materials for house were 10 percent above the national average in price and for other than house 16 percent higher. In North Carolina and South Carolina building materials for house were 39 percent below the national average in price, and for other than house approximately 44 percent below the national average.

The primary cause of this geographic price variation is the location of timber growth, although some of this variation is due to the purchase of different kinds of wood in different areas. North Carolina and South Carolina are rich in timber production, while Iowa is almost barren of timber. The cost of transportation of lumber from distant points is an important factor in its price.

The following tabulation shows the costs to farmers of steel and wooden posts, woven and galvanized wire and galvanized 14-foot farm gates in designated numbers of towns in each of the 48 States:

State	Posts, steel		Posts, wooden 4-inch		Woven wire fencing, 32in. high		Barbed wire, galvanized		Farm gates galvanized, 14 ft.	
	Towns	Price each	Towns	Price each	Towns	Price per rod	Towns	Price per spool of 80 rods	Towns	Price each
	No.	Cents	No.	Cents	No.	Cents	No.	Dols.	No.	Dols.
Me.	2	45	7	27	12	43	25	3.75	1	10.00
N.H.	2	40	6	27	3	55	15	4.05	1	10.00
Vt.	3	43	11	20	6	45	18	3.50	1	10.00
Mass.	14	55	15	50	10	55	28	3.85	3	10.50
R.I.	3	45	8	53	2	55	5	3.90	-	10.00
Conn	11	54	8	53	11	55	23	3.55	1	10.00
N.Y.	108	42	111	29	100	40	145	3.40	57	9.60
N.J.	38	45	42	48	25	47	38	3.80	14	9.30
Pa.	64	42	108	47	79	44	100	3.30	26	10.10
Ohio	126	36	124	30	117	38	127	3.15	78	8.50
Ind.	227	39	189	30	202	40	230	3.40	112	8.90
Ill.	222	36	205	32	199	44	228	3.20	117	8.10
Mich.	117	38	144	25	104	38	133	3.20	81	9.60
Wis.	183	34	208	18	130	38	157	2.95	115	9.60
Minn.	221	35	186	18	169	38	183	3.30	170	11.40
Iowa	338	35	296	24	307	42	318	3.25	289	11.30
Mo.	175	38	151	26	203	37	231	3.10	103	9.30
N.Dak.	137	36	126	21	119	39	129	3.45	79	12.30
S.Dak.	169	36	170	24	163	41	171	3.70	152	12.60
Nebr.	264	37	261	28	239	40	248	3.70	214	11.50
Kans.	205	39	192	27	176	43	231	3.65	111	11.60
Del.	4	45	3	40	4	47	3	3.80	4	8.30
Md.	31	42	22	31	24	43	38	3.80	18	10.10
Va.	47	44	68	31	82	34	109	3.20	39	9.80
W.Va.	13	45	25	39	39	32	68	3.20	14	8.90
N.C.	24	45	45	26	77	42	108	3.60	7	10.90
S.C.	7	42	18	27	26	42	31	3.55	2	13.50
Ga.	26	45	41	23	58	39	128	3.50	5	11.20
Fla.	12	48	27	37	26	49	48	3.65	14	13.10
Ky.	47	43	75	31	127	33	174	3.10	32	8.70
Tenn.	27	43	41	22	89	35	134	3.05	20	9.20
Ala.	16	47	29	19	67	34	108	2.95	6	9.50
Miss.	14	45	29	24	76	35	116	3.05	5	8.60
Ark.	18	38	49	18	69	35	113	3.45	8	9.50
La.	7	40	64	25	53	34	79	3.20	8	9.40
Okla.	50	43	153	21	146	41	182	3.45	63	12.50
Tex.	69	45	389	22	222	36	401	3.65	41	11.30
Mont.	83	43	90	18	67	42	100	3.95	43	12.10
Idaho	30	52	44	15	38	43	54	3.90	29	13.40
Wyo.	36	46	33	21	32	40	48	3.85	20	12.30
Colo.	92	45	133	21	98	44	145	3.90	51	11.00
N.Mex.	8	54	36	20	20	48	39	3.95	13	11.50
Ariz.	9	53	13	35	13	51	17	3.95	11	14.80
Utah	10	56	25	30	30	48	35	4.10	15	10.80
Nev.	3	60	8	33	4	50	6	4.25	2	12.40
Wash.	9	50	52	15	17	44	36	3.35	6	11.90
Oreg.	16	48	55	16	19	42	42	3.20	13	11.50
Calif.	98	49	208	29	104	45	155	3.55	55	11.50

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